

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 17, 2011
POSITION: Oppose

BILL NUMBER: AB 724
AUTHOR: S. Bradford

BILL SUMMARY: Electric and Gas Service: Master-Meter Customers

Existing law authorizes the California Public Utilities Commission (PUC) jurisdiction over the safety of master-metered natural gas systems in mobilehome parks. In addition, existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community providing gas or electric service to residents to transfer ownership and operational responsibility of the gas or electric system to the local gas or electrical corporation where the park or community is located

This bill would require the PUC to open a rulemaking proceeding to evaluate when a mobile home park owner should transfer gas or electric systems with unsafe conditions to a utility.

FISCAL SUMMARY

The PUC estimates the costs to implement this bill would be minor and absorbable. The Department of Finance (Finance) concurs.

COMMENTS

Finance is opposed to this bill. The PUC began a rulemaking proceeding on February 24, 2011 to examine how the PUC can encourage replacing master metering or sub metering systems with direct utility service. The rulemaking proceeding will consider safety and reliability, as well as costs of transferring master metered or sub-metered systems to direct utility service. Thus, the bill is unnecessary.

The bill would require the PUC, by February 1, 2012, to open a rulemaking proceeding to establish rules to determine when an owner of a master-metered mobilehome park or manufactured housing community should be required to transfer responsibility for gas or electric service to the gas or electrical corporation providing local service.

The intent of the bill is to ensure residents of master metered and submetered mobile home parks have safe and reliable utility service at a reasonable rate, while improving grid reliability.

		SO	(Fiscal Impact by Fiscal Year)								
Code/Department		LA	(Dollars in Thousands)								
Agency or Revenue		CO	PROP								Fund
Type		RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code	
8660/PUC		SO	No	----- No/Minor Fiscal Impact -----						0462	
<u>Fund Code</u>	<u>Title</u>										
0462	Publ Utilities Comm Utilities Reimb Acct										

Analyst/Principal (0621) J. McGuinn	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)